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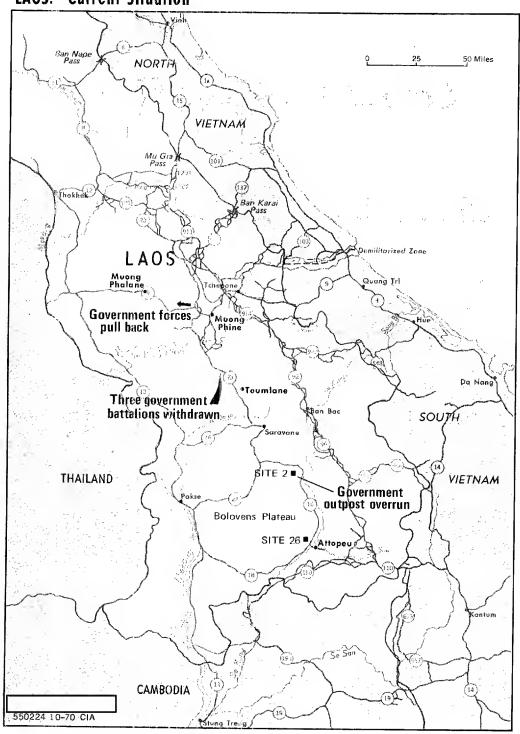
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LAOS: Current Situation



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LAOS: Communist forces in the panhandle are keeping the pressure on government units operating against their supply lines.

On 11 October, North Vietnamese and Pathet Lao troops overran a small outpost on the northeastern edge of the Bolovens Plateau overlooking Route 16. At last report, a majority of the site's 60 defenders were missing, and the deputy commander is believed to have been killed. Farther south on the plateau, enemy units continued to probe the defenses around Site 26 near Attopeu, but government forces held their ground.

Three irregular battalions have been withdrawn from the Toumlane Valley area after completing more than a month of successful harassment operations along Route 23. The units, which encountered little enemy resistance, destroyed enemy foodstuffs and mined about 25 miles of Route 23 in anticipation of increased Communist supply movements during the dry season.

Further north in the Muong Phine area, three other government battalions are being attacked with growing frequency by elements of the North Vietnamese 968th Front. The Communists have increased their use of mortars and rockets against these units during the past week, and the government has been countering with air strikes. The three battalions are gradually shifting their positions to the west along Route 9, and one now is located about five miles to the east of Muong Phalane.

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INDIA: Prime Minister Gandhi has provoked a political battle in Uttar Pradesh-India's most populous state-that has far-reaching implications for her position throughout the country.

Since February 1970, Uttar Pradesh had been governed by a tenuous coalition composed of Mrs. Gandhi's Ruling Congress Party and the Indian Revolutionary Party (BKD) of chief minister Charan Singh. Singh, however, continued to strengthen his own party and political image at Mrs. Gandhi's expense and refused to merge the BKD into the Ruling Congress—part of the original coalition understanding. Relations between the two parties grew increasingly acrimonious and on 24 September the Ruling Congress withdrew its support, leaving Singh at the head of a minority government. President Giri, acting at Mrs. Gandhi's request, imposed "President's Rule"—direct control from New Delhi—on the state on 1 October.

The state assembly was not dissolved, however, leaving the local parties free to work toward a new coalition. Singh immediately claimed that he had enough support to form another coalition and, thus, the imposition of President's Rule drew loud cries of foul play. Mrs. Gandhi, however, is gambling—thus far unsuccessfully—that during the time President's Rule is in effect, she can entice a sufficient number of opposition legislators to defect to her party to permit the Ruling Congress to form a new government.

Charan Singh and his supporters, meanwhile, have managed to enlist a respected Uttar Pradesh politician to front for them as chief minister of a proposed five-party coalition government. This leaves New Delhi with the alternative of allowing them to go ahead with their anti-Congress combination or dissolving the state's assembly. A hostile government in so large and so important a state as

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Uttar Pradesh would be a definite hindrance to Mrs. Gandhi's electoral strategy in the national elections which must be held by February 1972. Moreover, as a highly visible political defeat, it would damage the winning bandwagon psychology that she has been attempting to build for her party.

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NOTES

The National Liberation Army (ELN) has formally warned the Torres government that urban and rural guerrilla activities will continue "until the final victory." The pro-Castro ELN also acknowledged its responsibility for the murder of an alleged government agent on 9 October, the anniversary of the death of Che Guevara in Bolivia. The ELN claimed that a real change in government policies will be "hardly possible" with the continued presence of "rightist" military officers in the armed forces and high government positions. According to the announcement, the ELN will assume nothing has really changed in Bolivia until the new government gives concrete proof that it is doing something "to combat imperialism and eliminate the neocolonialist structure of Bolivia."

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WEST GERMANY - POLAND: The few remaining problems in the proposed West German - Polish agreement to improve relations will probably be resolved during the visit of Bonn's Foreign Minister Scheel to Warsaw on 2 November. Working-level negotiations in Bonn last week led to Polish acquiescence in language that the West Germans could claim covers increased repatriation of ethnic Germans from Poland. Still to be resolved is the exact wording of the all-important article describing Poland's western border. Given the desire of both sides to reach early agreement, however, this difference does not seem insurmountable.

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BULGARIA-IRAQ: Bulgaria has joined the USSR and several East European countries in providing economic assistance to Iraq in exchange for oil. A \$12-million Bulgarian credit will be used for surveying, and for designing and building industrial installations. The ten-year loan will be repaid with crude oil exports beginning in 1972. The North Rumaila oil field now being developed by the Iraqi National Oil Company with Soviet and Hungarian assistance is expected to start producing in that year.

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